



## Iowa Department of Revenue

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**Director:** Mark R. Schuling  
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Des Moines, Iowa 50319  
[www.state.ia.us/tax](http://www.state.ia.us/tax)

March 2006

RE: Iowa Gasoline Fuel Tax Rate Increase July 1, 2006  
eFile & Pay for Motor Fuel

Dear Iowa Fuel Tax Licensee:

Gasoline Tax Rate History:	Prior to July 1, 2002	20 cents per gallon
	July 1, 2002 thru June 30, 2003	20.1 cents per gallon
	July 1, 2003 thru June 30, 2004	20.3 cents per gallon
	July 1, 2004 thru June 30, 2005	20.5 cents per gallon
	July 1, 2005 thru June 30, 2006	20.7 cents per gallon
	July 1, 2006 thru June 30, 2007	21 cents per gallon

Iowa motor fuel tax rate, on gasoline only, will rise by three-tenth of a cent (0.3 cent) on July 1, 2006 from the current 20.7 cents per gallon to 21 cents per gallon. All other fuel tax rates will remain the same.

New gasoline tax rate	21 cents per gallon
Ethanol blended gasoline tax rate (No Change)	19 cents per gallon

Legislation passed in 2001 under House File 716 stated the rate of the excise tax on gasoline and ethanol-blended gasoline may change each July 1 depending on the percentage of ethanol, blended gasoline sold during the previous calendar year.

The returns for the periods beginning July 2006 will include this new rate change on the return.

Amended returns – Please make sure the appropriate tax rate is used in all calculations on all amended returns filed in the future.

A reminder of this rate change will be sent to motor fuel tax e-list subscribers in late June.

**eFile & Pay July 1, 2006** – This new way to file and pay Iowa motor fuel returns and schedules is tentatively scheduled to be available July 1, 2006 for returns which are due in the month of July. We will utilize the same eFile & Pay system as sales, withholding and LPG taxes. For motor fuel, electronic filing and payment is required. There will be two electronic options for persons to file.

- Those persons with less than 100,000 gallons of product on a return will only need to file and pay their return online. No schedules are required to be filed, but the schedule upload process may be used. Schedules need to be saved in your office and be available for review as requested.
- Persons with 100,000 gallons or more per month will be required by rule to file their schedules electronically. There will be two options. These may not be available until August, 2006.
  - EDI (a specific standard which follows ANSI ASC X12 EDI Standards). The Iowa EDI implementation guide is available on the departments website [www.state.ia.us/tax](http://www.state.ia.us/tax).
  - Schedule upload - Ability to use spreadsheets such as excel or mainframe system to upload your schedule directly to the department electronically.

More information will be provided as we move closer to the implementation date.

If any questions, please contact 515-281-6447 or 515-242-6033.